

**STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE**

Bulletin 2005-7

Issued this 9<sup>th</sup> day of September, 2005

**TO: ALL COMPANIES SELLING PRIVATE PASSENGER AUTOMOBILE  
INSURANCE IN MINNESOTA**

**RE: IMPLEMENTATION OF CHAPTER 6, SPECIAL SESSION 2005, SECTIONS 91  
TO 97**

The 2003 First Special Session of the Minnesota Legislature passed chapter 19, Article 2, Section 30 which amended Minn. Stat. §169.796 by adding Subdivision 3. That provision gave the commissioner of public safety the ability to verify auto insurance coverage of Minnesota drivers by a monthly sampling system. Failure to respond to an inquiry from the Department of Public Safety requesting verification of proof of insurance was a basis, under this provision, to suspend the nonresponsive driver's license without a hearing.

As a result of misunderstanding the verification request, approximately 4700 drivers had their licenses suspended due to failure to respond even though they were insured. These drivers may have experienced an adverse insurance action because of the suspensions. To eliminate any further problems, the Legislature suspended the Random Insurance Verification System (RIVS) during the 2005 Special Session (ch. 6, sections 91-97). Section 96 requires insurers to compensate any policyholder who may have suffered an adverse insurance action because of a potential violation of the RIVS by providing compensation and reinstatement of coverage. The law requires the remediation to be given without requiring the policyholder to specifically request it.

While the System was in operation, some Minnesotans may have received a Driving After Suspension (DAS) violation during a traffic stop because of their failure to follow the RIVS's verification procedure, despite having had valid insurance at the time of the DAS violation.

Adverse insurance actions referenced in the law include denials of coverage, cancellations, non-renewals, or rating surcharges. Section 96 requires insurer remediation in the event the adverse underwriting action was taken pursuant to a violation of the RIVS.

**Instructions for Insurers**

As a result of limitations in the database for licensed drivers, and after discussions with the Department of Public Safety (DPS), the Department of Commerce (DOC) has sent a letter to every individual whose license was suspended while the RIVS was operational, approximately 4600 individuals (attached).

This DOC letter follows a separate DPS letter advising all these individuals that their motor vehicle driving record will be changed to remove the notation of a suspension under the RIVS, along with a refund of the \$20 suspension fee. The DOC letter advises each individual to contact their respective insurance company immediately to obtain remediation, if applicable, which includes premium refunds and reinstatement of coverage. This method was determined to be the most effective and efficient manner to identify policyholders eligible for remediation.

In order to ensure that all companies have been notified of their responsibilities and to satisfy your requirement to report to the Commerce Department under Section 96, please sign and return a copy of this Bulletin to Scott P. Borchert, Director of Registration, Department of Commerce 85 E. 7<sup>th</sup> Pl., Suite 500, St. Paul, MN 55101. If you have any questions please call Scott at 651.296.9431 or [scott.borchert@state.mn.us](mailto:scott.borchert@state.mn.us).

  
Glenn Wilson  
COMMISSIONER

Receipt Acknowledged By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_



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St. Paul, Minnesota 55101-2198  
651.296.4026 FAX 651.297.1959 TTY 651.297.3067

August 26, 2005

Dear Minnesota Driver:

**THIS LETTER CONTAINS IMPORTANT INFORMATION FROM THE  
STATE OF MINNESOTA ABOUT YOUR AUTOMOBILE INSURANCE!**

You are receiving this letter because records show your driver's license was suspended by the Minnesota Department of Public Safety (DPS) for a violation of Minnesota's Random Insurance Verification System (RIVS), a program intended to reduce the number of uninsured drivers.

You may have already been contacted by the DPS about the reinstatement of your driver's license.

However, the law requiring your license to be reinstated also requires insurers to correct any actions taken against a driver due to violations of the RIVS. These actions may have included insurance cancellation, failing to renew insurance, denying coverage, or imposing a surcharge on a policy.

Insurers are required to reverse any possible negative insurance actions, but they need to know who was impacted by the program.

**IF YOU BELIEVE YOUR AUTO INSURANCE WAS AFFECTED BY THE PROGRAM, CONTACT YOUR INSURANCE COMPANY IMMEDIATELY!** Depending on whether or not your insurance situation was affected, you may have a choice as to how the new law affects your insurance remediation.

If, after contacting your insurer, you have further questions about how the RIVS may have affected your insurance, contact the Department of Commerce. To reach the DOC's Consumer Response Team, call 651-296-2488 in the Twin Cities Metro Area, or in Greater Minnesota call toll-free at 800-657-3602.

Sincerely,

GLENN WILSON  
Commissioner